



YHI INTERNATIONAL LIMITED

Company Registration No. 200007455H

INCORPORATION OF A WHOLLY OWNED SUBSIDIARY IN SHANGHAI, PRC – AUTOTREND CO LTD

The Board of Directors of YHI International Limited (the “**Company**”) wishes to announce that YHI Corporation (Singapore) Pte Ltd (“**YHI Corporation**”), a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary, Autotrend Co Ltd (“**Autotrend**”) in Shanghai, PRC.

The total registered capital of Autotrend is US\$400,000. The principal activity of the company is to set up and manage retail outlets in Shanghai. The Company believes that the incorporation of Autotrend is in line to expand the Company’s distribution business segment to grow the Group’s market share in the PRC for automotive products through a network of its own retail outlets selling tyres, wheels and automotive accessories.

The transaction is not expected to have any material impact on the Company’s net tangible assets and earnings per share for the financial year ended 31 December 2006.

None of the directors or substantial shareholders of the Company have any interest, direct or indirect in the incorporation of Autotrend.

Submitted by Yuen Sou Wai, Executive Director to the SGX-ST on 29 August 2006